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Human resources management

Conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly: full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions

Report of the Secretary-General

I. Introduction

1. The General Assembly, in paragraph 2 of its resolution 35/221, decided that the compensation and other conditions of service of the full-time members of the International Civil Service Commission (ICSC) and of the Chairman of the Advisory Committee on Administrative and Budgetary Questions would be reviewed normally every five years. The last such review was done in 2000 during the fifty-fifth session of the General Assembly. By its resolution 55/238, the Assembly took note of the relevant report of the Secretary-General (A/C.5/55/29). In paragraph 21 of that report, it was stated that, in accordance with the decision taken by the Assembly in paragraph 2 of its resolution 35/221 in respect of the periodic review of the compensation and other conditions of service of the Chairman of the Advisory Committee and the Chairman and Vice-Chairman of ICSC, the next review would be undertaken at the sixtieth session of the Assembly in 2005.

2. The General Assembly, in its resolution 57/285, decided to implement, with effect from 1 January 2003, a revised salary scale for staff in the Professional and higher categories. The increase was 6.3 per cent for the D-2 grade and above. In the light of that decision, the Secretary-General, in paragraph 4 of his report (A/C.5/57/35), proposed to apply a 6.3 per cent increase to the net compensation of the Chairman and Vice-Chairman of ICSC and the Chairman of the Advisory

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Committee on Administrative and Budgetary Questions, effective 1 January 2003. The Assembly, in paragraph 1 of its resolution 58/266, approved the suggestion outlined in paragraph 4 of the report, with effect from 1 September 2003. The General Assembly, in paragraphs 4 and 5 of its resolution 58/266, also requested the Secretary-General to bring the issue of conditions of service and compensation of the three officials to the attention of the Assembly when the annual compensation for the Chairman of the International Civil Service Commission and the Chairman of the Advisory Committee falls below the level of the compensation of Assistant Secretaries-General, but no sooner than at its sixty-third session, and also decided that the procedure outlined above would replace the requirement for future five-year comprehensive reviews outlined in paragraph 8 of the report of the Secretary-General (A/C.5/57/35). The present report is being submitted in compliance with the foregoing request.

3. In order to facilitate consideration of the various issues regarding the compensation and conditions of service of the three officials concerned, the present report is divided into five sections: compensation, other conditions of service, post-retirement benefits, financial implications and the next comprehensive review.

II. Compensation

4. On the occasion of the 2000 review, the General Assembly, in section VII, paragraph 3, of its resolution 55/238, reaffirmed the principle that the conditions of service of the three officials should be separate and distinct from those of the Secretariat.

5. In accordance with General Assembly resolution 35/221, the annual net compensation of the Chairman and Vice-Chairman of ICSC and the Chairman of the Advisory Committee on Administrative and Budgetary Questions was adjusted in January of each year by 90 per cent of the movement in the consumer price index (CPI) for New York (rounded to the nearest whole number), provided that the index has increased by at least 5 per cent. Following the comprehensive review in 2000 of the salary of these senior officials, which is detailed in the report of the Secretary-General (see A/C.5/55/29), the Assembly, in its resolution 55/238, removed the requirement for at least a 5 per cent movement in the index. As the movement of the index is measured over the period from November to November, the compensation for these three senior officials is revised each January.

6. It was noted during the 2000 review that in 1996 the compensation of these three senior officials was equivalent to 97 per cent of the compensation of the most senior officials. However, by 1 January 2000, that percentage had decreased to 90.4 per cent. In order to restore the relationship that had existed previously, it was proposed — and the General Assembly agreed, by its resolution 55/238 — that, in addition to the granting of the CPI adjustment of 7 per cent to the salaries of the three officials, the salaries would also be increased by an additional 3.1 per cent and the special allowance of the two Chairmen would rise from $8,000 to $10,000. The relationship between the compensation of the three officials concerned and that of the most senior Secretariat officials was thus restored to 97 per cent.

7. As mentioned in paragraph 2 above, the General Assembly, in its resolution 57/285, decided to implement, with effect from 1 January 2003, a revised salary scale for staff in the Professional and higher categories. The increase was 6.3 per

cent for the D-2 grade and above. The Secretary-General, in paragraph 4 of his report (A/C.5/57/35), proposed to apply a 6.3 per cent increase to the net compensation of the Chairman and Vice-Chairman of ICSC and the Chairman of the Advisory Committee on Administrative and Budgetary Questions, effective 1 January 2003.

8. As a result of the action taken by the General Assembly in its resolution 58/266, effective 1 September 2003 the annual compensation of the two full-time members of ICSC and the Chairman of the Advisory Committee was revised from $157,266 to $167,174, with an additional special allowance of $10,000 for the Chairman of the Commission and the Chairman of the Advisory Committee. The increase in the annual compensation of the officials concerned took into account the increase of 6.3 per cent granted to certain grades of the Professional and higher categories salary scales, effective 1 January 2003.

9. By its resolution 58/266, the General Assembly also decided to maintain the established updating procedure that it approved in paragraph 3 of its resolution 35/221, as amended by its resolution 55/238. Accordingly, the annual net compensation of the two full-time members of ICSC and the Chairman of the Advisory Committee on Administrative and Budgetary Questions has continued to be adjusted every January on the basis of 90 per cent of the CPI movement for New York measured over the period from November to November. Consequently, adjustments in the annual compensation of the individuals concerned have taken place every January.

10. The movement in the consumer price index for New York over the period from November 2002 to November 2003 was 3.1 per cent. Ninety per cent of that movement represented 2.79 per cent, which, when rounded to the nearest whole number, resulted in an additional increase of 3 per cent in the annual compensation for the three officials concerned beginning 1 January 2004. Accordingly, the annual net compensation of the two full-time members of ICSC and the Chairman of the Advisory Committee on Administrative and Budgetary Questions was revised from $167,174 to $172,189, effective 1 January 2004. The movement in the CPI for New York over the period from November 2003 to November 2004 was 3.91 per cent. Ninety per cent of that movement represented 3.52 per cent, which, when rounded to the nearest whole number, resulted in an additional increase of 4 per cent in the annual compensation for the three officials concerned beginning 1 January 2005. Accordingly, the annual net compensation of the two full-time members of ICSC and the Chairman of the Advisory Committee was revised from $172,189 to $179,077, effective 1 January 2005. The movement in the CPI for New York over the period from November 2004 to November 2005 was 3.909 per cent. Ninety per cent of that movement represented 3.52 per cent, which, when rounded to the nearest whole number, resulted in an increase of 4 per cent in the annual compensation for the three officials concerned beginning 1 January 2006. Accordingly, the annual net compensation of the two full-time members of ICSC and the Chairman of the Advisory Committee was revised from $179,077 to $186,240, effective 1 January 2006. The movement in the CPI for New York over the period from November 2005 to November 2006 was 2.601 per cent. Ninety per cent of that movement represented 2.341 per cent, which, when rounded to the nearest whole number, resulted in an increase of 2 per cent in the annual compensation for the three officials concerned beginning 1 January 2007. Accordingly, the annual net compensation of the two full-time members of ICSC

and the Chairman of the Advisory Committee was revised from $186,240 to $189,965, effective 1 January 2007. The movement in the CPI for New York over the period from November 2006 to November 2007 was 3.894 per cent. Ninety per cent of that movement represented 3.5046 per cent, which, when rounded to the nearest whole number, resulted in an increase of 4 per cent in the annual compensation for the three officials concerned beginning 1 January 2008. Accordingly, the annual net compensation of the two full-time members of ICSC and the Chairman of the Advisory Committee was revised from $189,965 to $197,564, effective 1 January 2008. The additional special allowance of $10,000 for the Chairman of the Commission and the Chairman of the Advisory Committee is not subject to the application of the movement of the CPI and remained unchanged.

11. Between November 2007 and July 2008, the CPI for New York rose by 4.69 per cent. By November 2008, it is projected to be at a level approximately 4.7 per cent higher than that of November 2007. Consequently, based on the adjustment procedure in effect, it is anticipated that the annual net compensation of the three officials will be increased by 4 per cent beginning on 1 January 2009.

(United States dollars)

	Current salary 1 January 2008	*Proposed increase 1 January 2009*
Chairman of ICSC and Chairman of the Advisory Committee on Administrative and Budgetary Questions		
Net salary	197 564	205 467
Special allowance	10 000	10 000
Vice-Chairman of ICSC		
Net salary	197 564	205 467

12. With regard to the level of compensation of the three officials, it should be recalled that the Secretary-General, in his report to the General Assembly at its fifty-fifth session (A/C.5/55/29), reiterated what he had noted previously in his report to the Assembly at its thirty-eighth session, as follows:

> "After careful review of the developments over the years, it seems obvious that the basic principles enunciated in the past should continue to apply, namely, that the compensation and other conditions of service of the full-time officials other than staff members should continue to be set by the General Assembly and that there should be no direct or automatic link to the salary system applicable to staff of the United Nations common system. At the same time, it is useful to recall the views expressed by the Secretary-General in the comprehensive study undertaken in 1976 on the criteria to be applied to determine the emoluments of the members of the International Court of Justice, namely, that 'the United Nations system forms, in a sense, a structure within which the interrelationship between the top posts has probably more importance than comparison with positions outside the United Nations'. It is for this reason that the long-standing practice has been to take into account the level of remuneration of senior Secretariat officials in determining the appropriate remuneration for members of organs or subsidiary organs of the

United Nations appointed by the United Nations to serve in their individual capacity on a full-time basis" (A/C.5/38/27, para. 41).

13. Accordingly, on the basis of previous practice, the relevant information on the remuneration levels of senior Secretariat officials concerned for the period 2004-2008 is provided in the annex to the present report.

14. The data contained in the annex shows that, over the period from January 2004 to January 2008, the total annual net compensation of the Chairman of ICSC and the Chairman of the Advisory Committee on Administrative and Budgetary Questions has remained above the level of the compensation of Assistant Secretaries-General serving in New York. As of January 2008, their annual net compensation was equivalent to 101 per cent of that of Assistant Secretaries-General paid at the dependant rate. As indicated in paragraph 11 above, it is expected that the movement in the consumer price index for New York over the period from November 2007 to November 2008 will be 4.7 per cent. Consequently, on the basis of the adjustment procedure in effect, it is anticipated that the annual net compensation of the three officials will be increased by some 4 per cent beginning on 1 January 2009. The Secretary-General notes that on the basis of the data contained in the annex, it is possible that the total annual net compensation of the Chairman of ICSC and the Chairman of the Advisory Committee might drop slightly below the level of the compensation of Assistant Secretaries-General (by some 1.5 per cent).

15. With regard to the special allowance payable to the Chairman of ICSC and the Chairman of the Advisory Committee in recognition of their added responsibilities, it may be recalled that the amount of the allowance was last revised in 2000 and established at $10,000 per annum, with effect from 1 January 2001, by the General Assembly in its resolution 55/238. No change is proposed with regard to the level of the special allowance of the Chairman of the Advisory Committee and the Chairman of ICSC at this time.

III. Other conditions of service

16. The other conditions of service of the Chairman and Vice-Chairman of ICSC and of the Chairman of the Advisory Committee on Administrative and Budgetary Questions for the period 1948-1990 were set out in paragraphs 16 to 28 of the 1990 report of the Secretary-General (A/C.5/45/21). By its resolution 45/249, the General Assembly approved new provisions for the payment of installation grants to those officials[1] and compensation to survivors in the event of death during service.[2] By the same resolution, the Assembly approved the proposal that the amount of reimbursement for education costs be increased in line with its resolution 43/226 and subject to the same ceiling, together with the application of provisions concerning disabled children. Provision also continued to be made for one related trip per year from the place of scholastic attendance when outside the country of the

[1] The grant was not payable to the incumbents at that time and is applicable to their successors only if they were not residing at the duty station at the time of their appointment (A/C.5/45/21, paras. 42-43 and 45, and A/45/7/Add.13, para. 3).

[2] Comprising a lump sum equivalent to one month of the annual compensation of the official per year of service, subject to a minimum of three months and a maximum of nine months (A/C.5/45/21, paras. 44 and 45, and A/45/7/Add.13, para. 3).

duty station. In addition, increases in the level of the education grant or changes in the provisions regarding disabled children decided by the Assembly were extended to the three officials (A/C.5/45/21, paras. 46-48, and A/45/7/Add.13, para. 4). The Assembly decided that the other conditions of service for those officials, with the exception of the level of pensionable remuneration (see sect. IV below), should remain unchanged.

17. The Commission also reviewed the education grant in 2008, and its recommendations concerning the maximum reimbursement levels in various currency areas for the education grant are before the General Assembly at its current session (A/63/30, chap. III, part C, paras. 48-62).

18. No change is proposed with regard to the manner of application of these other conditions of service of the Chairman of the Advisory Committee and the Chairman and Vice-Chairman of ICSC at this time.

IV. Post-retirement benefits

19. In its resolution 46/192 of 20 December 1991, the General Assembly decided that officials appointed or elected to ungraded positions who become participants in the United Nations Joint Staff Pension Fund should have their pensionable remuneration adjusted, between comprehensive reviews, in accordance with the procedure applicable for adjustment of the scale of pensionable remuneration of staff in the Professional and higher categories, as set out in article 54 (b) of the Regulations of the Fund. Accordingly, the pensionable remuneration of the three officials concerned is adjusted at the same time and by the same percentage as that used to adjust their annual compensation. This methodology has been applied since that time. As at 1 January 2008, the pensionable remuneration of the Chairman of ICSC and the Chairman of the Advisory Committee on Administrative and Budgetary Questions is currently $256,832 per annum and that of the Vice-Chairman of ICSC $243,072 per annum. Their pensionable remuneration should also be adjusted as at 1 January 2009. Based on the estimated movement of 4 per cent in the CPI for New York, effective 1 January 2009 the pensionable remuneration of the Chairman of ICSC and the Chairman of the Advisory Committee should be revised to $267,105 and that of the Vice-Chairman of ICSC to $252,795.

V. Financial implications

20. On the basis of the information outlined above, it is estimated that there will be additional requirements of $33,194 for the programme budget for the biennium 2008-2009 comprising $18,686 under section 1, "Overall policy-making, direction and coordination", and $14,508 under section 30, "Jointly financed administrative activities". This would represent the full cost of provisions in respect of the Chairman of the Advisory Committee and the net cost to the United Nations of the provisions for the Chairman and Vice-Chairman of ICSC, which are financed jointly with the other organizations of the United Nations system. These requirements would be reported in the context of the second performance report on the programme budget for the biennium 2008-2009, to be presented to the General Assembly at its sixty-fourth session.

21. The General Assembly may wish to take note of the present report.

VI. Next comprehensive review

22. In accordance with the decision taken by the General Assembly in its resolution 58/266 in respect of the review of the compensation and other conditions of service of the Chairman and Vice-Chairman of ICSC and the Chairman of the Advisory Committee on Administrative and Budgetary Questions, the next comprehensive review should be undertaken when the level of the annual compensation of the Chairman of ICSC and the Chairman of the Advisory Committee falls below the level of the compensation of Assistant Secretaries-General.

Annex

Evolution of the annual net compensation of the Chairman of the Advisory Committee on Administrative and Budgetary Questions and the Chairman and Vice-Chairman of the International Civil Service Commission, compared with that of senior officials of the Secretariat at Headquarters

Year	*Chairman of ACABQ and of ICSC*[a]	*Vice-Chairman of ICSC*	*Assistant Secretary-General with dependant*[b]	*Assistant Secretary-General without dependant*[b]	*Under-Secretary-General with dependant*[c]	*Under-Secretary-General without dependant*[c]
Jan. 2004	182 189	172 189	180 304	163 555	197 312	177 970
Jan. 2005	189 077	179 077	188 097	170 611	205 809	185 617
Jan. 2006	196 040	186 240	194 670	176 563	212 975	192 066
Jan. 2007	199 965	189 965	199 256	180 716	217 975	196 566
Jan. 2008	207 564	197 564	205 501	186 371	224 783	202 693
Jan. 2009 (projected)	215 467[d]	205 467[d]	218,767[e]	198 384[e]	239 247[e]	215 711[e]
Percentage increase 2004-2009	18.3	19.3	21.3	21.3	21.3	21.2

[a] Including a special allowance of $10,000 per annum.

[b] Including a representation allowance of $3,000 per annum.

[c] Including a representation allowance of $4,000 per annum.

[d] Assumes a 4 per cent adjustment to annual net compensation based on the movement of the consumer price index for New York.

[e] Reflecting a 6.55 per cent adjustment in the post adjustment multiplier for New York, effective 1 August 2008.